



SEAPORT

NORTH CENTRAL IDAHO: CLEARWATER, IDAHO, LATAH, LEWIS, & NEZ PERCE COUNTIES

LABOR FORCE & EMPLOYMENT

The Seaport area, which includes both Nez Perce County in Idaho and Asotin County in Washington, has been the economic engine in North Central Idaho. During 2001 employment was stagnant. The civilian labor force remained at the same level as the previous year. In looking at employment by industry, 430 jobs were lost in *Manufacturing* in 2001. Lay-offs occurred in almost all sectors of manufacturing including *Food Processing*, *Lumber & Wood Products*, *Paper & Allied Products*, and *Metal Fabrication*. For 2002, the market for *Lumber & Wood Products* and *Paper & Allied Products* should improve somewhat as the United States has increased tariffs on similar products produced in Canada. The tariffs are designed to level the playing field for competition; their government was heavily subsidizing the Canadian manufacturers.

The layoffs that have occurred in high wage manufacturing jobs will have a profound effect on reducing the amount of dollars in the general economy in 2002. The loss of *Manufacturing* payroll will produce a rippling affect of cutbacks across *Retail* and *Service* industries. Another problem has been that, between 1997 and the first half of 2001, a majority of the new jobs were created in the *Service* and *Trade* industries. Though these jobs reduced the unemployment rate, the jobs were usually part-time with no benefits and near the bottom of the wage ladder. Workers in these part time jobs were counted as employed even though they were looking for full-time opportunities. As a result, a large pool of underemployed workers was created. Underemployed workers are generally seeking full-time employment with benefits and wages above \$8.00 per hour. Counting these workers as employed reduces the unemployment rate but hides a growing problem.

Employment in *Nonfarm Payroll Jobs* for 2001 decreased 5.2 percent to 25,500. While growth in urban economies throughout the state has slowed, expansion of the economy of the Seaport area

Seaport Table 1: Labor Force & Employment

Nez Perce County, Idaho and Asotin County, Washington	Projected 2001	2000	% Change From Last Year
INDIVIDUALS BY PLACE OF RESIDENCE			
Civilian Labor Force	34,541	34,488	0.2
Unemployed	1,445	1,483	-2.6
% of Labor Force Unemployed	4.2%	4.3%	-0.1%
Total Employment	33,096	33,004	0.3
JOBS BY PLACE OF WORK			
Nonfarm Payroll Jobs**	25,500	26,910	-5.2
Goods-Producing Industries	4,820	5,400	-10.7
Construction & Mining	1,180	1,330	-11.3
Manufacturing	3,640	4,070	-10.6
Food & Kindred Products	90	150	-40.0
Lumber & Wood Products	590	770	-23.4
Paper & Allied Products	1,640	1,790	-8.4
All Other Manufacturing	1,320	1,360	-2.9
Service-Producing Industries	20,680	21,510	-3.9
Transportation	1,340	1,390	-3.6
Communication & Utilities	290	300	-3.3
Wholesale Trade	890	960	-7.3
Retail Trade	5,120	5,300	-3.4
Finance, Insurance & Real Estate	1,610	1,670	-3.6
Services & Misc.	7,110	7,340	-3.1
Government Administration	1,910	2,070	-7.7
Government Education	2,410	2,480	-2.8

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

has stopped and is decreasing. As Seaport Table 1 shows, there were no increases in industry totals—all industries posted decreases for 2001. However, there was some good news. Although *Services* recorded decreases, jobs in the *Health Care* sector of *Services* are at record high levels. An expanding group of new health care professionals continue to move into the area.

Other economic bright spots for 2002 include the following:

- Activity continues at the Bedrock Plaza development, which will accommodate a new Home Depot and Safeway.
- The Regence Group announced plans to create at least 100 new jobs and will become the anchor tenant in Lewiston's new business and technology park.
- The new Idaho Juvenile Corrections Department's Lewiston Center, located on the city's southern edge, opened in the last half of 2001.

- The Nez Perce Tribe is betting the Lewis and Clark Bicentennial commemoration will bring more tourists to its casinos.
- A feasibility study and plans are being evaluated to give the Clearwater Casino, located near Lewiston, a facelift and a permanent building. Plans also call for a hotel, entertainment and convention center, food and beverage outlets, and a golf course.
- Spatial Dynamics, located at the Port of Wilma northwest of Clarkston, entered into a partnership with OB One Global Limited of Tukwila, Washington, to market People Portal II. The People Portal II is designed to prescreen airline passengers for nonmetal objects at a much faster rate than conventional airport detectors.
- Deranleau's, a long time business in Lewiston, is planning to build a new 18,000-square-foot store at 1901 Nineteenth Avenue across from the Lewiston Center Mall.
- Alliant Techsystems (ATK), a weapons and aerospace manufacturer, is buying the Sporting Equipment Group of Blount International. According to ATK, the company is committed to Blount's Lewiston manufacturing plant and believes the Lewiston plant is a key to the company's overall growth. Blount, one of the largest manufacturers in North Central Idaho, employs about 700 people in Lewiston where it makes sporting and law enforcement ammunition.

In *Agriculture*, cattle producers welcomed the news of a gradual upswing in the cattle market. However, wheat and other small grain growers are concerned with low prices for their products. *Agriculture* employment has dropped 30.7 percent since 1987. The Port of Lewiston, Idaho's only seaport, has played a major role in economic development. Because of concerns regarding endangered salmon runs, the future of the Port is in question. Nonetheless, the Port is a major economic player and could be a bright spot. New warehouses have been built in the Port to utilize road, rail, and water transportation.

Clearwater County

Total employment in 2001 is forecast to decrease 2.2 percent in Clearwater County (see *Seaport Table 2*). Since 1996, employment growth has been fragile. Over the five-year span between 1996 and 2001 employment decreased 5.8 percent. Clearwater County has not shared in the state's prosperity. As employment was decreasing in Clearwater County, employment in the state expanded by over 9.0 percent. Clearwater County in 2001 had the highest unemployment rate among the 44 Idaho counties at 14.9 percent. Employment decreases reflect that business is suffering from cutbacks in two major employment industries, *Lumber & Wood Products* and the *Government* (primarily the U.S. Forest Service), causing concern for the county's economic future.

Clearwater County depends on natural resources to drive its economy. Employment in the two major indus-

Seaport Table 2: Labor Force & Employment by County

Clearwater County		Estimated		Percent
Nonfarm Payroll Jobs		2000	2001	Change
				2000-2001
Total Nonfarm Payroll Jobs		3,130	2,690	-14.1
Goods-Producing Industries		870	560	-35.6
Construction & Mining		120	100	-16.7
Manufacturing		750	460	-38.7
Service-Producing Industries		2,260	2,130	-5.8
Transportation, Comm. & Utilities		100	70	-30.0
Trade		440	410	-6.8
Finance, Insurance & Real Estate		70	60	-14.3
Services & Misc.		450	440	-2.2
Government		1,200	1,150	-4.2
Idaho County		Estimated		Percent
Nonfarm Payroll Jobs		2000	2001	Change
				2000-2001
Total Nonfarm Payroll Jobs		4,310	3,950	-8.4
Goods-Producing Industries		1,010	840	-16.8
Construction & Mining		370	240	-35.1
Manufacturing		650	600	-7.7
Service-Producing Industries		3,300	3,110	-5.8
Transportation, Comm. & Utilities		200	180	-10.0
Trade		850	820	-3.5
Finance, Insurance & Real Estate		120	110	-8.3
Services & Misc.		730	700	-4.1
Government		1,400	1,300	-7.1
Latah County		Estimated		Percent
Nonfarm Payroll Jobs		2000	2001	Change
				2000-2001
Total Nonfarm Payroll Jobs		14,530	14,150	-2.6
Goods-Producing Industries		1,130	1,000	-11.5
Construction & Mining		390	340	-12.8
Manufacturing		740	660	-10.8
Service-Producing Industries		13,400	13,150	-1.9
Transportation, Comm. & Utilities		350	280	-20.0
Trade		3,550	3,540	-0.3
Finance, Insurance & Real Estate		340	310	-8.8
Services & Misc.		2,580	2,450	-5.0
Government		6,580	6,570	-0.2
Lewis County		Estimated		Percent
Nonfarm Payroll Jobs		2000	2001	Change
				2000-2001
Total Nonfarm Payroll Jobs		1,120	1,050	-6.3
Goods-Producing Industries		160	140	-12.5
Construction & Mining		30	20	-33.3
Manufacturing		130	120	-7.7
Service-Producing Industries		960	910	-5.2
Transportation, Comm. & Utilities		50	40	-20.0
Trade		330	320	-3.0
Finance, Insurance & Real Estate		50	50	0.0
Services & Misc.		90	100	11.1
Government		440	400	-9.1

tries, *Government and Manufacturing*, especially in *Lumber & Wood Products*, has decreased 58 percent since 1980. Local sawmills in 2001 experienced wood shortages and a drop in wholesale prices for lumber and plywood. Potlatch Corporation's Jaype Plywood Mill in Pierce closed in 2000; since then other mills in the county have had to temporarily lay off workers. The rippling effect of the closure of Jaype is widening in Clearwater County.

The Orofino-based School District 171 is feeling the drain of students leaving as their families move elsewhere to look for jobs. Because employment has decreased, local groups are trying to diversify the local economy. Nearly \$2 million in federal and state grants have been acquired to develop a light manufacturing industrial site in Orofino. The grants will cover the development, land costs, and construction of a 30,000-square-foot building. An expanding local company, Architectural Sign and Engraving, will be the anchor for the new building and will occupy about half of the space. The other half of the building will provide space to encourage local business to expand, or outside companies to move to the county. A waiting list of companies interested in the space is being developed.

Other county developments include:

- Communities located along the trail used by the Lewis-Clark expedition are getting ready to celebrate the expedition's bicentennial in 2003-06. The Pink House Hole, an 18-unit public campground situated three miles west of Orofino on U.S. Highway 12, is one of the first of many planned campgrounds to be completed. The Pink House Hole campground will provide full hook-ups for 15 RV's, three tent campsites, and two picnic area pavilions. The campground is half a mile from Canoe Camp where the Lewis-Clark party stopped to make dugout canoes for their trip downriver to the Pacific Ocean. Over two million people are expected to tour North Central Idaho for the bicentennial.
- Two new businesses opened in Orofino—a Subway restaurant and LightForce, a business that specializes in riflescopes for police/military and lighting fixtures for four-wheel drive vehicles.
- For 2002, in addition to layoffs in *Lumber & Wood Products*, two other developments are cause for concern. The first is the resolution of the salmon issue and how it will impact tourism and the Dworshak Dam. The Dworshak Reservoir and the Clearwater River provide recreational activities for residents and tourists. The second is the continuing cutbacks in U.S. Forest Service permanent and seasonal staff for the Clearwater National Forest.

Idaho County

Unemployment for Idaho County is forecasted to be one of the highest for the county at 9.4 percent in 2001. (See Table 2 on page 10.) The county's economy has lost almost 300 jobs from the 1994 record of 5,941. The 1996

closure of a major sawmill in Grangeville was expected to decrease employment even more. But other employment sectors in *Retail Trade* and *Service* industries created new jobs in spite of the closure—an indicator of a diversifying economy. In addition to losses in lumber, jobs in *Government* decreased because of cutbacks at the U.S. Forest Service. Another important employment industry that has decreased, *Agriculture*, is just one-third of what it was 20 years ago.

As in Clearwater County the economy in Idaho County is heavily dependent on natural resources. *Lumber & Wood Products* employment is a large part of the labor force (12 percent). After years of decline, the number of jobs in *Lumber & Wood Products* continued to decrease in 2001. In addition, temporary layoffs occurred in most area sawmills in the last half of 2000 and 2001. Layoffs lasted between one and four weeks. On the plus side, *Industrial Machining* continues to be a strong sector. Local machining companies in the Grangeville and Cottonwood areas have gained national attention and are receiving orders from all over the country.

Other industry news includes:

- Whitewater and rafting guides on the Lochsa, Snake, and Salmon Rivers say that business increased in 2000 and the first half of 2001. This was due in large part to an increased salmon run, which in turn increased the number of jobs in recreation and tourism.
- Construction of several new buildings in Grangeville was completed in 2001 including a new U.S. Department of Agriculture Service Center, a new home for the Idaho County Free Press, and a building for the new Kings store.
- In response to the extensive wildfires throughout the west in summer 2000, the National Marine Fisheries Service hired a team of biologists to work with the U.S. Forest Service and the Bureau of Land Management to implement the National Fire Plan. One site funded by the plan was located in Grangeville which increased jobs in *Government*.

Other county developments include:

- St. Mary's Hospital in Cottonwood will be constructing a new 12,000-square-foot, two-story clinic building that will house 12 new exam rooms, physician offices, procedure room, reception area, and clinic business offices.
- A salvage deal was reached with a Montana company for the ties and rails of the approximately 67-mile Camas Prairie RailNet (CPR) line between Spalding and Grangeville. Klamert Railroad Salvage Company of Silesia, Montana, will conduct the contract salvage for an undisclosed amount. Work is pending while it is determined if CPR meets the requirements set up by the Surface Transportation Board in its decision in 2000 when it approved abandonment of the line. The bridges and trestles are not a part of this salvage deal.

Latah County

In 2001, employment decreased 3.7 percent in Latah County (See Table 2 on page 10.) Total employment decreased 10 percent since 1996, and is now 10 percent below the record level of 15,700. Employment peaked in 1995 because of growth in *Trade and Services*. Even with employment decreases, Latah County has one of the lowest unemployment rates in Idaho. The University of Idaho (U of I), established in 1889, employs more than 40 percent of all workers in Latah County. The U of I's presence provides economic stability and insulates the county from national economic cycles. A significant economic indicator for Latah County is the size of the student population at the U of I. In the first half of 2001, student enrollment increased and is expected to increase through the year 2002. As a result, employment at the U of I is expected to increase one percent in the next two years.

In other industries, employment should increase in *Manufacturing*, *Trade*, and *Services*. Future employment increases in *Manufacturing* will occur because computer software and hardware companies that are currently in the U of I business incubator will be expanding and leaving the incubator for larger facilities. (Note: Business incubators are designed to help young businesses survive during their initial start up by providing business assistance and services such as shared receptionist, fax, copier, conference room, and low-cost space.) Employment in *Trade and Services* will follow increases in the student population at the U of I. Whenever the student population increases so does the demand for workers in *Trade and Services*.

Construction is a significant employment indicator of economic health in Latah County. According to builders and planners in the county, both residential and industrial construction is expected to increase in 2002.

Other developments include:

- A British Columbia-based mining company is looking to develop an open-pit kaolin clay mine on state land in the Helmer-Bovill area.
- Officials at Bennett Lumber have warned employees that large electric rate increases could force a suspension of work at mills in Princeton and Clarkston. Because of the proximity to the Princeton mill, the communities of Potlatch and Harvard would be hit hard economically by the suspension of the area's largest employer.
- Construction was completed on the Moscow Ice Rink.
- Schweitzer Engineering Laboratories Inc. (SEL) will be expanding its Pullman plant by 60 percent in 2002. It will create a total of 200,000-square feet of building space at the Port of Whitman County Industrial Park on the north edge of Pullman. The 40,000-square-foot addition will be added to the current manufacturing building, which covers 65,000-square feet. In just a year, the company has outgrown the plant. The company is Pullman's/Moscow's biggest success story and second largest employer after Washington State

University. It manufactures industrial electrical relays and operates 39 customer service offices from Charlotte, North Carolina, to Bolivia.

- In other technical manufacturing news, Pacific Simulation of Moscow expects to more than triple its workforce to about 160 employees following the announcement that the company was purchased by international conglomerate Invensys. Invensys is a holding company of one of the largest corporations that develop systems for industrial automations and control. Pacific Simulation will retain its name and expand at its Moscow location.
- In *Health Care*, Gritman Medical Center in Moscow is planning to add a \$20 million south wing. The new wing would increase hospital bed space, the number of operating rooms, and emergency room space.

Lewis County

Employment in Lewis County did increase in 2001, but by only a few jobs (58). (See Table 2 on page 10.) The number of jobs in *Construction* continued to be strong, stimulating the economy in the first half of 2001. Construction increased because low land prices allowed people to build houses in Lewis County and commute to work in Lewiston. Three industries, *Agriculture*, *Lumber & Wood Products*, and *Government* dominate Lewis County's economy. Public lands within the county provide recreational opportunities, which help to diversify the economy. *Agriculture* in 2001 continued its decline. Since 1980, jobs in agriculture have decreased by one third. Wheat prices, at an all time low, are bleak news for an already depressed industry. In *Lumber & Wood Products*, mills in the county have had to temporarily lay off workers because of low wholesale prices and maintenance concerns. However, all of the mills did regain strength by the end of 2001.

Some of the developments in 2001 were:

- The new Kamiah Physical Therapy Clinic opened for business. The clinic is administered by St. Mary's Hospital (Cottonwood) Physical Therapy and Rehabilitation Department.
- Jacobs Auto Parts opened a new auto parts business in Kamiah.
- The It'se Ye Ye Bingo and Casino in Kamiah completed a \$1 million renovation.

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